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C O N F I D E N T I A L SECTION 01 OF 04 BANGKOK 004649

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DEPT FOR EAP, EAP/MLS NSC FOR PHU

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TAGS: PGOV PREL KDEM TH

SUBJECT: THAI CIVIL SOCIETY LEADERS TELL DAS MARCIEL THAT

FOCUS IS ON THE ELECTION

REF: BANGKOK 04641 (DAS MARCIEL URGES RAPID

RESTORATION OF DEMOCRATIC RULE)

Classified By: Ambassador Ralph L. Boyce. Reason 1.4 (b,d)

11. (C) Summary. In meetings August 22-23, Thai civil society leaders told visiting DAS Scot Marciel that Thai voters are overwhelmingly focused on coming elections and the formation of a new government. Two contacts warned that the biggest threat to the coming vote would likely be vote-buying by former PM Thaksin supporters. Both a leading economist and human rights officials said that the ousted-PM's allies could very well win and form the next government. This same human rights official and a politician denied that the new constitution hands greater power to the military and expressed frustration with "inaccurate western" media reporting on this topic. End Summary.

INTERNATIONAL PRESSURE IS HELPFUL

12. (C) In a meeting on August 23, Democrat Party Deputy Leader and former investment banker Korn Chatikavanij expressed appreciation for U.S. pressure on the RTG to keep to the election timetable. "You've been constant...international pressure on this is helpful." When asked about general political sentiment following the passage of the new constitution on August 19, Korn said that the public mood is "let's just get on with it." He explained that "95 percent" of the population never read the draft charter before they voted. "Right now it's not an issue." According to Korn, the public is not in the mood to change things. "They weren't interested before; they're not interested now."

CHARTER NOT LESS DEMOCRATIC

13. (C) Korn pushed back strongly on western media criticism of the new charter. "I find it amusing when I hear foreign journalists say this one is less democratic." According to Korn, the new constitution is much more democratic in some ways, particularly in expanding direct public participation

in politics. For example, the new charter reduces the number of voters needed to take many actions: only 20,000 signatures are needed to seek an amendment to the constitution. When asked how important this new right is--critics point out that Thai citizens are unlikely to use these new powers--Korn disagreed. He said that politicians will mobilize voters to use these new powers. "Thaksin's people will be out collecting signatures."

- 14. (C) Korn was even more critical of reports that the new charter would expand the role of the military in politics. "This is not a pro-military constitution." While Korn admitted that military leaders on the Council on National Security (CNS) hand-picked the drafters, he said those charged with writing the charter were not pro-military people and did not bow to military demands. "The military got almost nothing that it wanted from the constitution." Korn pointed to efforts by CNS leaders to establish a non-elected prime minister and a fully-appointed Senate; both measures failed. Korn drew a parallel to the National Legislative Assembly (NLA), which was hand-picked by the CNS, but has failed to act as a rubber-stamp for the military. These criticisms aside, Korn admitted that the draft Internal Security Act (ISA), is disconcerting, but he expects the NLA to successfully resist its passage.
- 15. (C) Korn lamented the raft of inaccurate media characterizations of the Thai political situation. Asked if he and other Democrat Party politicians have tried to correct these reports, Korn said, "it's too hard to explain the complexity of the situation here. We figure, let's just have the election, which is what the world wants. The world doesn't care about the details."

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THAKSIN IS NOT OUT OF THE GAME

- 16. (C) Turning to preparations for a new government, DAS Marciel asked if, based on apparent CNS disappointment with the results of the referendum, the military may attempt to play a more direct role in shaping the outcome of elections expected for December. Korn responded by saying "you're concerned about the military, but I'm concerned about Thaksin's money. Washington should be equally concerned about Thaksin's money. Thaksin has never played fair; there needs to be a counter-balance of power." Korn was confident that the CNS will allow those former Thak Rak Thai (TRT) politicians not banned from politics in the May court decision to run for office. He admitted that his Democrat Party was unlikely to face the same scrutiny by election officials as former TRT politicians, but expressed concern that Election Commission authorities "aren't capable of blocking the abuse of money" during the election.
- 17. (C) Regarding Thaksin's possible future role in politics, Korn said the ousted-PM's return to the political scene "would be OK if he had won his popularity in a free and fair manner, but he cheats." He added, "Thaksin is corrupt and his cronies are corrupt on a scale we've never seen before." Korn expressed confidence that the former PM will be convicted in criminal court. "In no democratic system does anyone advocate that criminals be allowed to compete."
- 18. (C) Korn went on to warn that "Thaksin is not out of the game." He said that the former PM has an interest in ensuring that the next government "doesn't accomplish anything." Korn said that Thaksin will attempt to destabilize the next government, cause chaos, and create a void that only the ousted PM can fill.

HUMAN RIGHTS WATCH ON NEW CHARTER, ELECTIONS

Sunai Phasuk told DAS Marciel that people are not focused on the details of the constitution, because it can only be changed by the next government. Sunai, like Korn, was critical of western media reporting that the new charter handed the military more power. "This is incorrect." So who emphasized that he himself voted against the new constitution, explained that the new charter shifts some power from the old, ostensibly non-partisan Senate, to the courts and bureaucracy, not the military. The new government will be weaker than those under the 1997 constitution and subject to more scrutiny by politicians and the people, "which is not a bad thing.

10. (C) Sunai explained that the current focus of public attention is on the election and next government. "The attention is on the election and next government. general sense is the need to move ahead...people want the next election and a new government." He further explained that Human Rights Watch is concerned about inappropriate influence by both the military and Thaksin in the next election. Sunai explained that some former supporters of Thaksin worry that the local election commissions and the military will put them under greater scrutiny than other candidates. He pointed out, however, the ineffectiveness of the current government in pushing for public support of the charter in areas dominated by Thaksin supporters, even in areas under martial law. In the Northeast, a majority of voters rejected the constitution which, in Sunai's view, proves how "inept" the military government really is. agreed with local media reports that local election commission officials tend to look the other way when former TRT supporters engage in vote-buying and other fraud, because these officials are worried that Thaksin will come back. In Sunai's view, this is a serious concern for the next election. As he put it, Thaksin "was the mother of all vote-buyers." Sunai said that Human Rights Watch will publicly call on the government to allow independent election observers, like those from Thai NGO Poll Net and the European

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Union.

- $\P 11$. (C) Sunai said that former TRT politicians, under the guise of a new party could very well win a majority, or enough seats in the next election to form a new government. If the RTG was capable and serious in its intention to rid the country of Thaksin, this would not even be possible, let alone likely. According to Sunai, it is "completely wrong to suggest that the election would be "one-sided" against former Thaksin supporters. He noted sarcastically that this is not because the CNS is "generous" but because the current government is incapable of seriously "undermining Thai democracy."
- 112. (C) Expanding on the idea of CNS fallibility, Sunai said that the lack of clarity and competence in the government is contributing to human rights problems in Thailand. Political uncertainty is taking its toll as well. As an example of what Sunai termed a "free wheeling" bureaucracy incapable of effectively coordinating policy, Sunai cited the case of Hmong refugees in Nong Khai province. Before, he said, senior government interlocutors were able to set policy in response to HRW concerns, but even sympathetic officials have had a hard time getting individual agencies and officers to follow central government orders. "The CNS has no control over this bureaucracy.

UNCERTAINTY IN THE MARKETS

13. (C) Phatra Securities' (a division of Merrill Lynch) Dr. Supavud Saicheua told DAS Marciel on August 23 that the markets remain concerned about continued political uncertainty in Thailand. He pointed to the nearly four percent drop in the local market on August 22, in response to the latest spate of (unfounded) coup rumors. Supavud said that the referendum result underlined the deep divisions in

Thai society, with all but two Northeast provinces voting against the new constitution. He expressed significant concern over these "schisms" in the body politic. Pointing to last month's protest outside Privy Council President and elder statesman Prem Tinsunlanonda's house, he said emphasized that "a lot of lines have been crossed...there's no telling what can happen next."

- 114. (C) Turning to the coming election, Supavud noted that "it's clear that (former) TRT politicians have the upper hand and they're getting more confident." He explained that, even with 100 TRT leaders banned from politics for five years, former TRT candidates can win at least 200 seats in the new parliament. Supavud does not see the Democrat Party getting more than 120 seats. According to Supavud, some of Thaksin's supporters are saying that its best for their parties to remain in the opposition, discredit a Democrat-led coalition government, and come back even stronger in the following election. "They don't want to provoke the military too soon."
- 115. (C) Supavud characterized the dynamic behind the September 19 coup as a battle between the old-guard, traditionally pro-military elite and the new capitalists led by Thaksin. He noted that Thaksin was in serious trouble politically before the coup and could possibly have been pushed out of office by democratic and peaceful means. Supavud said, however, that there was "too much concern" about leaving him in power while "the royal succession" was left unresolved. DAS Marciel noted the long history of political corruption in Thailand and asked how Thaksin was any different. Supavud explained that, while not the first corrupt leader, Thaksin was "the most organized...he monopolized corruption." According to Supavud, Thaksin tried to turn this monopoly on corruption into a monopoly on power.
- 116. (C) DAS Marciel asked which party the military favors. Supavud pointed out that the old-guard elite "doesn't like any party...they're anti-politician." He pointed to provisions in the new constitution establishing greater oversight over elected politicians; "they simply won't have

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the power they once held."

117. (U) DAS Marciel cleared this message.

BOYCE